

**ASSEMBLY BILL**

**No. 1284**

**Introduced by Assembly Member Leslie**

February 21, 2003

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An act to amend Section 353.1 of the Public Utilities Code, relating to energy resources.

LEGISLATIVE COUNSEL'S DIGEST

AB 1284, as introduced, Leslie. Distributed energy resources.

(1) Existing law requires the Public Utilities Commission to require each electrical corporation under the operational control of the Independent System Operator as of January 1, 2001, to modify its tariffs so that all customers installing new distributed energy resources are served under rates, rules, and requirements identical to those of a customer within the same rate schedule that does not use distributed energy resources, and to withdraw any provisions in otherwise applicable tariffs that activate other tariffs, rates, or rules if a customer uses distributed energy resources. Existing law subjects customers with distributed energy resources to a real-time pricing program adopted by the commission. Existing law defines “distributed energy resources” to mean any electric generation technology that meets certain criteria, including having commenced initial operation between May 1, 2001, and June 1, 2003.

This bill would modify that initial operation criterion to include any electric generation technology having commenced initial operation between May 1, 2001, and June 1, 2005. Because a violation of a rule or order of the commission is a crime under existing law, this bill, by expanding the scope of commission regulation, would change the definition of a crime, thereby imposing a state-mandated local program.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 353.1 of the Public Utilities Code is  
2 amended to read:

3 353.1. As used in this article, “distributed energy resources”  
4 means any electric generation technology that meets all of the  
5 following criteria:

6 (a) Commences initial operation between May 1, 2001, and  
7 June 1, ~~2003~~ 2005, except that gas-fired distributed energy  
8 resources that are not operated in a combined heat and power  
9 application must commence operation no later than September 1,  
10 2002.

11 (b) Is located within a single facility.

12 (c) Is five megawatts or smaller in aggregate capacity.

13 (d) Serves onsite loads or over-the-fence transactions allowed  
14 under Sections 216 and 218.

15 (e) Is powered by any fuel other than diesel.

16 (f) Complies with emission standards and guidance adopted by  
17 the State Air Resources Board pursuant to Sections 41514.9 and  
18 41514.10 of the Health and Safety Code. Prior to the adoption of  
19 those standards and guidance, for the purpose of this article,  
20 distributed energy resources shall meet emissions levels  
21 equivalent to nine parts per million oxides of nitrogen, or the  
22 equivalent standard taking into account efficiency as determined  
23 by the State Air Resources Board, averaged over a three-hour  
24 period, or best available control technology for the applicable air  
25 district, whichever is lower, except for distributed generation units  
26 that displace and therefore significantly reduce emissions from  
27 natural gas flares or reinjection compressors, as determined by the  
28 State Air Resources ~~Control~~ Board. These units shall comply with  
29 the applicable best available control technology as determined by



1 the air pollution control district or air quality management district  
2 in which they are located.

3 SEC. 2. No reimbursement is required by this act pursuant to  
4 Section 6 of Article XIII B of the California Constitution because  
5 the only costs that may be incurred by a local agency or school  
6 district will be incurred because this act creates a new crime or  
7 infraction, eliminates a crime or infraction, or changes the penalty  
8 for a crime or infraction, within the meaning of Section 17556 of  
9 the Government Code, or changes the definition of a crime within  
10 the meaning of Section 6 of Article XIII B of the California  
11 Constitution.

